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**RAILWAY POLICY.**

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**A LETTER**

TO

**GEORGE CARR GLYN, Esq., M.P.,**

CHAIRMAN OF THE

**London and North-Western Railway Company,**

ON THE

**CORRESPONDENCE**

ADDRESSED TO HIM BY

**CAPTAIN HUISH AND MR. JOHN WHITEHEAD:**

**FROM A SUFFERER.**

**LONDON:**

**SMITH, ELDER AND CO., 65, CORNHILL.**

**1848.**

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TO

GEORGE CARR GLYN, Esq., M.P.,

CHAIRMAN OF THE LONDON AND NORTH-WESTERN  
RAILWAY COMPANY.



LONDON,  
6th December, 1848.

SIR,

Few controversies have occurred, for many years, which have excited such a deep interest as that now going on between Mr. Whitehead, of the Stock Exchange, and Captain Huish, of the London and North-Western Railway, on the subject of the policy and management of that great concern. Nor, when we consider the magnitude of the interests directly involved in the success of the London and North-Western Railway, or the effects of the policy pursued by that Company on the general success and policy of other Railways, can we wonder at this interest. It is to you, as the chairman, and the most influential party in the management of the London and North-Western Railway, that Mr. Whitehead and Captain Huish appeal; and it is to you, therefore, I address

the following remarks on the assertions and admissions of the two disputants.

Mr. Whitehead in his first letter, addressed to yourself, takes up two most decided positions.

FIRST,—That the system pursued by the London and North-Western Railway of expelling all the independent carriers from their line,—taking the whole carriage of goods into their own hands,—is a vicious one; and that it has proved, and is proving, injurious to the interests of the railway proprietors, and has excited competition from quarters (canal companies), formerly dormant!

Captain Huish dissents from these statements, and justifies the policy of the London and North-Western Railway Company in expelling the independent carriers from the line, and triumphantly cites the fact that the Grand Junction Canal Company have been compelled to follow the example, and adopt the policy of the London and North-Western Railway Company, and become carriers on their own and adjacent canals, in order to maintain a competition with your rival Railway.

Whether Mr. Whitehead or Captain Huish is correct in their differing views,—the fact of the new canal competition stated by Captain Huish is notorious; and, what is more, it is to Captain Huish, and the policy lately adopted by the North-Western Railway Company, that the proprietors in that concern are indebted for the improved policy pursued by their rivals the Grand Junction Canal Company.

Since the adoption of that policy by the London and North-Western Railway Company, every possible means have been employed by the managers of that concern to withdraw or drive the independent carriers from the rival canal routes,—purchases of their business,—appointment to railway agencies,—partial and particular reductions of charges, destructive of the independent canal carrier's trade.

The success of these measures has been accompanied, of course, with a large outlay of capital. A few weeks only have elapsed since, for certain valuable considerations, the Railway Company succeeded in inducing a large carrying company to bind themselves by written agreement to withdraw all their boats from a canal trade they had successfully established between Birmingham, the Midland counties, and London,—and the carrying company in question have faithfully fulfilled their engagement. Nor is this a solitary instance.

Well may Captain Huish (cognizant of these facts) say, the “Grand Junction Canal Company *have been COMPELLED* to adopt the North-Western Railway policy, and become carriers on their own canal, in competition with the North-Western Railway.”

No alternative was left to the Canal Company but to meet corporate competition by a similar weapon. How far the North-Western Railway proprietors are benefiting by the improved canal policy, is shown by Mr. Whitehead, and is not denied by Captain Huish.



Mr. Whitehead's **SECOND** position is, that the London and North-Western Company are doing their goods traffic at a heavy loss, and paying this loss out of the profits of their passenger traffic. Here, again, he is met by a direct denial on the part of Captain Huish, who asserts that, of the two traffics, the goods traffic is the most lucrative.

Captain Huish, in proof of the gross error of Mr. Whitehead's assertion, states, that the total traffic receipts of the Railway Company in the year ending the 30th June last, was 2,140,035*l.*, whereof 1,417,659*l.* was obtained from passengers, and 722,376*l.* from goods; that the working expenses in the same period (taxes excluded) were 751,172*l.* It would thus appear that the merchandize receipts nearly cover the gross expenses, and, as Captain Huish logically says, "either the passenger traffic costs nothing at all, or there must be a profit on the goods traffic."

Had the London and North-Western Railway capital account been closed, the inferences which Captain Huish would induce from the foregoing statement must have borne powerfully in favour of his theory. But such is not the case; the capital account is open, and the capital outlay is annually increasing. The outlay carried to capital account for carrying stock alone, viz., *engines, carriages, and waggons*, in the year ending 30th June last, amounted to no less a sum than 344,179*l.* 3*s.* 11*d.*, independent of a sum, double that amount, laid out in wharfs, warehouses, and other appendages for heavy traffic.

While such a system continues, all confidence in the Railway statements is shaken. It may even be doubted whether Captain Huish and Mr. Whitehead are not both correct, and that neither of the carrying departments has earned a profit which justifies a dividend.

LASTLY, Captain Huish, while he acknowledges that the coal-rates on the Railway are too low, insists, in the face of Mr. Whitehead's contrary assertion, that no loss is sustained by this traffic; and in justification of the continuance of a coal traffic, he adds that the only profitable lines in Scotland at the present time are coal and mineral lines.

He is quite correct; there are only two really profitable Railways in Scotland at the present time, both mineral lines, and both guaranteed by the London and North-Western Railway Company and the other shareholders of the Caledonian Railway. Neither of these lines produces enough to pay the guaranteed dividend, the balance comes from the funds of the London and North-Western Railway Company and the other shareholders in the Caledonian Company. The guarantee of the Caledonian Railway is the true source of their prosperity. It is true that, during the period Captain Huish was in management of the Greenock Railway very large dividends were paid by certain adjacent mineral Railways, but their capital accounts were, like the North-Western, unclosed; with the closure of the capital account came a similar closure of the payment of dividend.

Having thus stated shortly the three great questions

at issue between Mr. Whitehead and Captain Huish, I will conclude this letter with a few remarks on the points in dispute.

The FIRST of these is the expulsion of the independent carriers from your line of Railway.

No one conversant with the construction or capability of Railways for general traffic, but must acknowledge that the portion of carrying business embraced in the furnishing of waggons, motive power, and, in fact, the entire item of transit from one point on any Railway to another, must of necessity be managed and controlled by the Railway Company. Such has ever been the case on the London and North-Western Railway; nor does Mr. Whitehead at all object to it so continuing.

The portion of the carrying trade, to which Mr. Whitehead refers, and from which you have lately expelled the independent carriers, is that known by the name of "Terminal," including agency of every description, collection, delivery, packing, unpacking, warehousing, &c., &c. In Mr. Whitehead's animadversions on this head, I entirely concur.

This portion of the carrying business is, from the multiplicity of its details, and its dependence on minutiae, peculiarly suitable for the display of individual exertion and individual economy.

It is quite unsuitable to the energies of a leviathan concern, like the London and North-Western Railway. I feel assured that by the proper encouragement of individual exertion in this department

of the carrying business, the Railway traffic might be enormously increased, and economies would be effected more than sufficient to give an ample remuneration to a hundred agency establishments all working in aid of the undertaking under your direction.

What would you say to the wisdom or policy of a great colonial importing merchant, who would attempt to do the business and seize on the profits of all the small grocery concerns whom it is his business now to supply in wholesale ; or to the wisdom or policy of a Railway Company who would seek to drive away the individual cabmen who plied at their station in order to pocket their profits.

Pursue and perfect the great business for which Railways are formed,—the rapid conveyance or transit of large bulks and weights of goods from one point to another ; here is the evident and necessary work of *association*. Leave to *individual* competition the retail portion of this business, the collection and distribution of these large bulks at the points of receipt and delivery ; an opposite conduct is equally contrary to all good public policy, and to the interests of the concern of which you ought to be the guardian.

On the SECOND point involved in this controversy, whether the heavy goods traffic is carried at a loss, as stated by Mr. Whitehead, or at a great profit as asserted by Captain Huish, the utter disproportion in the charges for the conveyance between the same points of an equal weight of goods, requiring exactly the same appliances as regards packing, bulk, and care,

